issue proceeds where the amount exceeds Rs. 500 crores and appointment of a financial institution to monitor such usage, adequate disclosure of the protect risks and justification of any premimum being collected.

Tax on financial transactions across International Borders

1127. SHRI K. R. MALKANI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Nobel Economic Tobin had suggested a 0.5 per cent tax on all financial transactions across the international bordars to yield $ 1500 billion a year, for the development of developing countries?

(b) whether the social development conference held at Copenhagen was to discuss the matter;

(c) how and why the mattere was dropped out of agenda; and

(d) what steps Government have taken/proposed to take to put this proposal on the World agenda?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) James, Tobin, Nobel laureate, had proposed in 1978 a tax on speculative international currency transactions. This was intended to give greater stability to international financial markets with a view to enabling the developed countries to undertake domestic fiscal and monetary policies with a greater degree of flexibility.

(b) The World Summit on Social Development which recently concluded in Copenhagen did. *inter-alia* discuss innovative mechanism for generating new and additional resources for financing social development. No specific proposals such as the Tobin Tax proposal were on the agenda of the Conference.

(c) The question does not arise.

(d) The Tobin tax was proposed in the context of the economic policy making in the developed countries after the gold standard was abondoned and the developed countries moved from a fixed currency exchange regime to a regime of floating exchange rates. The implications of such a tax for developing countries such as India, have not been assessed or established in any conclusive manner.

Shortage of one, two and five rupee notes

1128. SHRI RAJNI RANJAN SAHU: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that there is an acute shortage of one rupee, two rupee and the rupee, notes;

(b) whether Government are also aware that two rupee and five rupee coins are not popular; and

(c) if so, the steps Government propose to take to increase the supply of one rupeee, two rupee and five rupee notes?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (c) While the average life of rupee one note is six months, that of rupees two and five is about one year. As against this, the life span of coins is about 15—20 years. In view of the final cost consideration, a decision has been taken to coinise these denominations in a phased manner so as to utilise the capacity so released for printing of higher denomination notes. Production of fresh notes of rupee one, rupees two

and rupees five has accordingly been reduced.

Repayment of foreign loan

1129. SHRI S. VIDUTHALAI VIRUMBI: Will the Minister of FINANCE be pleased to state:

(a) what is the total loan amount repaid to foreign countries and financial institutions like IMF and World Promoter during the last three years; and

(b) what is the debt service-ratio in terms of Export?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) The total loan amount repaid to foreign countries on account of bilateral aid and institutions like IMF/World Bank during 1991-92, 1992-93 and 1993-94 were US dollar 3285 million, US Dollar 3412 milllion and US Dollar 3414 million respectively.

(b) The debt service ratio of the amount repaid as above in terms of exports for the year 1991-92, 1992-93 and 1993-94 were 17.9 per cent, 18-0 per cent and 15.0 per cent respective ly.

Role of I.M.F.

1130. SHRI RAMDAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government attention has been drawn to a news-ietm published in the Hindustan Times dated 19th February, 1995 under the caption "Beware of IMF, do not devalue, urges FORBES"; and

(b) if so, the reaction of Government thereto and what steps have been taken by Government to lower tariff barriers, cutting of domestic tax rates and to keep the rupee safer by making it fully convertible besides modernising India's labour laws etc.?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY: (a) Yes, Sir. The Government considers policy making to be its sovereign right and there is no question of blindly following the dictates of IMF as cautioned by Mr. Probes in this news item.

(b) The strategy of macro economic adjustment and reform pursued by the Government since June 1991 contains most of the elements mentioned by Mr. Forbes including lowering of tariff barriers, cutting, of domestic tax rates and keeping the rupee safe. Infact, in this news item, Mr. Forbes has paid fulsome compliments to the process of economic reforms in India. Tariffs and tax rates have been further lowered in the Union Budget for 1995-96 presented by the Finance Minister in the Parliament on 15th March. The rupee is already fully convertible on the current account. Considering India's large work force, appropriate action to modernize the labour laws will be undertaken after evolving a national consensus.

सकल घरेलू उत्पाद में कमी

1131. चौधरी हरमोहन सिंह : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि भारत में प्रतिव्यक्ति सकल शुद्ध उत्पाद पड़ौसी देशों की तुलना में धीरे-धीरे कम होता जा रही है;

(ख) यदि हां, तो उसके क्या कारण हैं ;

(ग) पिछले तीन वर्षों के दौरान भारत, पाकिस्तान, बंगलादेश, श्री लंका और नेपाल में प्रतिव्यक्ति सकल घरेलू उत्पाद कितना-कितना था ; और